

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7148

BILL NUMBER: SB 513

NOTE PREPARED: Jan 8, 2013

BILL AMENDED:

SUBJECT: Unpasteurized Cow's Milk.

FIRST AUTHOR: Sen. Young R

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill amends the definitions of "dairy farm" and "milk producer" as applied to the animal health and animal products laws. It allows the sale of raw milk from cows if the milk producer meets certain requirements. It requires the Board of Animal Health to adopt rules. It prohibits a person from reselling or redistributing raw milk, or offering, providing, or distributing raw milk in a restaurant, educational institution, day care facility, or health care facility. The bill also requires the State Chemist to adopt certain rules concerning a commercial feed, pet food, or specialty pet food that uses raw milk that are consistent with rules adopted by the Board of Animal Health.

The bill makes it a Class A infraction to distribute raw milk for use as a commercial feed, pet food, or specialty pet food if the raw milk does not comply with the requirements adopted by the State Chemist.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Board of Animal Health:* This bill requires the Board of Animal Health to adopt rules concerning the sale of unpasteurized raw milk or milk products to consumers, including the permitting of milk producers. Rulemaking should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

The expenses for the Board of Animal Health to create and operate a licensing program with operating standards for dairy farms who wish to sell raw milk directly to consumers would depend upon the number of farms that choose to participate.

State Chemist: The bill requires the State Chemist to adopt rules concerning commercial feed, pet food, or specialty pet food that uses raw milk. The rules must be consistent with rules adopted by the Board of Animal Health. The bill's requirements are within the State Chemist's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: *Penalty Provision:* The bill provides a Class A infraction for distributing raw milk for use as a commercial feed, pet food, or specialty pet food if the raw milk does not comply with the requirements adopted by the State Chemist. The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: Board of Animal Health; State Chemist.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Gary Haynes, Board of Animal Health, 317-544-2412; Robert Geiger, State Chemist's Office, 765-494-1551.

Fiscal Analyst: Jessica Harmon, 317-232-9854.